

**AMENDMENTS TO THE CLAIMS:**

1. (Currently amended) A license management system comprising:
  - a license server connected to a network; and
  - a terminal connected to the network;wherein said server ~~including~~ includes:
  - a memory unit for storing a first license which includes ~~both a content key for decrypting encrypted content~~ and a first use condition of said content;
  - an issuance unit for, according to a request from said terminal, issuing a second license which includes a content key for decrypting encrypted content and a second use condition set such that a value of said second use condition is within a value of said first use condition of said content; and
  - a transmission unit for transmitting to said terminal said second license that is issued; andsaid terminal including:
  - a license control unit for managing said second license transmitted from said server; and
  - a reproduction unit for reproducing said encrypted content by use of said content key included in said second license; andwherein said server further includes:
  - another memory unit for storing information on said second license; and
  - a return unit for checking said second use condition to automatically return said second license.

2. (Original) A server for issuing a content key for decrypting encrypted content, comprising:
  - a memory unit for storing a first license which includes said content key and a first use condition of said content;
  - an issuance unit for, when a value of a second use condition of said content requested by a terminal does not exceed a value of said first use condition stored in said memory unit, issuing a second license which includes said content key and said second use condition; and
  - a communication unit for transmitting said second license to said terminal.
3. (Original) The server as claimed in claim 2, wherein:
  - said memory unit stores license information including said second use condition; and
  - said server further comprises a return unit for, when a value of an actual use condition of said content at said terminal has exceeded said value of said second use condition, returning said second license.
4. (Currently amended) The server as claimed in claim 3, wherein:
  - said first use condition includes the maximum allowable number of simultaneous issues indicating ~~the~~ a number of issues of said second license which can be distributed at the same time; and
  - said return unit stops return processing when the maximum allowable number of simultaneous issues has exceeded its initial value stored in said memory unit.

5. (Original) The server as claimed in claim 3, wherein:

    said license information includes return mode information indicating whether or not said second license is to be returned, said return mode information being provided for each second license; and

    said return unit executes or stops return processing on said second license according to said return mode information.

6. (Original) The server as claimed in claim 5, further comprising a setting unit for setting said return mode information according to a request from said terminal.

7. (Original) The server as claimed in claim 5, wherein said return mode information includes information for determining whether said server is to automatically return said second license.

8. (Original) The server as claimed in claim 5, wherein said return mode information includes information for determining whether said terminal is to return said second license to said server.

9. (Original) The server as claimed in claim 8, wherein:

    said second use condition includes an expiration date/time of said content; and

said return unit deletes said license information when said return mode information indicates that no return processing is to be performed and said expiration date/time of said content has passed.

10. (Original) The server as claimed in claim 3, wherein said license information including said second use condition includes information about said second license.

11. (Original) The server as claimed in claim 10, further comprising a transmission unit for, when a request for restoring said second license has been received, transmitting said second license to said terminal to which said second license was transmitted, said second license storing said information about said second license.

12. (Original) The server as claimed in claim 2, wherein:  
    said first use condition is determined by. a manager of said content or a manager of said first license; and  
    said second use condition is determined by a user of said content.

13. (Currently amended) The server as claimed in claim 3, wherein:  
    said first use condition includes the a maximum allowable number of simultaneous issues indicating the a number of issues of said second license which can be distributed at the same time;  
    said second use condition includes an expiration date/time of said content;

when said issuance unit has issued said second license, said issuance unit decrements the maximum allowable number of simultaneous issues; and said return unit increments the maximum allowable number of simultaneous issues when said expiration date/time of said content has passed.

14. (Original) The server as claimed in claim 3, wherein: said second use condition includes an expiration date/time of said content; when said issuance unit has issued said second license, said issuance unit inhibits further issuance of said second license; and when said expiration date/time of said content has passed, said return unit cancels said inhibition of further issuance of said second license.

15. (Currently amended) The server as claimed in claim 3, wherein: said first use condition includes a first value of the number of reproduction operations of said content; said second use condition includes a second value of the number of reproduction operations of said content; when said issuance unit has issued said second license, said issuance unit subtracts said second value of the number of reproduction operations from said first value of the number of reproduction operations; upon receiving said second license returned from said terminal, said return unit adds ~~the an~~ update of said second value of the number of reproduction operations included in said second use condition to said first value of the number of reproduction operations; and

when an expiration date/time of said content has passed, said return unit maintains said first value of the number of reproduction operations from which said second value of the number of reproduction operations has been subtracted.

16. (Original) A terminal capable of communicating with a server for issuing a content key for decrypting encrypted content, said server comprising:

a first memory unit for storing a first license which includes said content key and a first use condition of said content;

an issuance unit for, when a value of a second use condition of said content requested by said terminal does not exceed a value of said first use condition stored in said first memory unit, issuing a second license which includes said content key and said second use condition; and

a communication unit for transmitting said second license to said terminal;

said terminal comprising:

a second memory unit for storing said encrypted content;

a communication unit for receiving said second license from said server;

a decryption unit for decrypting said encrypted content in said second memory unit by use of said content key included in said second license; and

a reproduction unit for reproducing said decrypted content according to said second use condition included in said second license.

17. (Original) The terminal as claimed in claim 16, wherein said reproduction unit updates said second use condition each time said reproduction unit reproduces said content.